Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

August 3, 2006

Contents

The next release is Aug. 10, '06

Weekly Highlights

Soybean Exports to Japan and Mexico Accelerate Gulf Grain Inspections
This week, soybean exports played a major role in accelerating **Mississippi Gulf grain inspections**. For the week ending July 27, grain inspections increased 6 percent in the Mississippi Gulf. Inspections were partially driven by the more than 5 million bushels of soybeans inspected that were destined for Japan and Mexico. In contrast, inspections for the week dropped 41 percent in the PNW. No soybeans were inspected at PNW ports during the week, thus severely lowering those ports' inspection numbers.

Ocean Rate Spread between U. S. Gulf and PNW Expands
As of August 1, the spread between shipping rates from the U.S. Gulf and the PNW to Japan was $11.40 per metric ton (mt). The spread has increased 14.5 percent from one week earlier. The higher spread can be attributed to an increase in ocean rates for shipping grains, rising export activity, and increased vessel activity in the Gulf relative to the PNW.

Low Water Conditions Necessitate Draft Restrictions
On July 25, the U.S. Coast Guard placed a 7.5 foot draft restriction on the Missouri River due to extreme low water conditions on the lower section of the river. By July 31, those restrictions were cancelled. However, sporadic limitations and closures are likely on the Missouri River for the rest of the year. Because of low water on the Upper Mississippi River from St. Louis, south, there is a maximum draft of 9 feet for northbound barges and 9.6 feet for southbound barges.

Why Are Barge Rates So High?
Depending on location, current **barge rates** are 2.7 to 3.5 times as high as the 3-year average. These historically high barge rates can be blamed on elevated fuel surcharges, increased grain exports, competition from non-agricultural products, barge retirements, persistent low water conditions, and lock delays on the Upper Mississippi.

Extreme Heat Slows Down Trains and Reduces Rail Capacity
Due to the danger of track buckling and derailments, train speeds decrease 10 miles per hour when temperatures are between 90° and 100° and decrease another 10 miles per hour when temperatures exceed 100°. Consequently, rail capacity decreases as delivery time increases. This summer's unusually hot temperatures also mean that railroads must take extra care to adequately inspect track.

DHS Moves Forward with TWIC
The Department of Homeland Security's Transportation Security Administration is reviewing more than 1,800 public comments received from the Notice of Proposed Rulemaking, which introduces the Transportation Worker Identification Credential (TWIC). The shipping community fears these new security measures will further exacerbate the truck driver shortage and put additional pressure on the overworked transportation network.

Snapshot by Sector

Ocean/Barge
On July 27, 34 **grain vessels** were loaded and 58 vessels are expected during the next 10 days. For the week ending July 29, southbound barge **grain shipments** totaled 855 thousand tons, nearly identical to the same period a year ago.

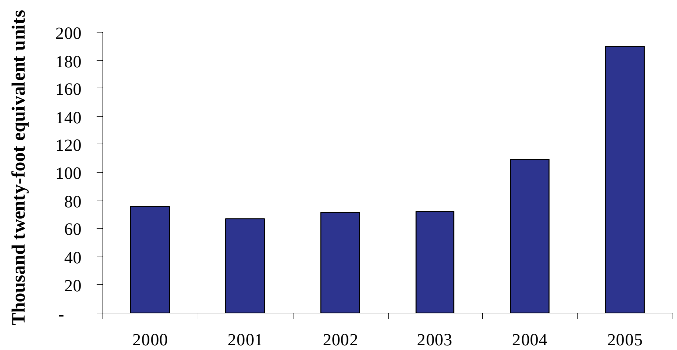
Truck
The **diesel fuel price** for the week ending July 17 was $2.980 per gallon—1.2 percent higher than the previous week and 27 percent higher than the same week last year.

Rail
For the week ending July 22, rail grain carloads originated totaled 21,158 – down 8.6 percent from last week, but 4.2 percent above last year. Carload traffic was up 2.4 percent from the same week last year.

Feature Article/Calendar

Containerized Grain Exports Fall Slightly After 2005 Boom. In 2005, containerized grain accounted for 4 percent of total U.S. grain exports, and 5 percent of grain exported to Asia—up from 2 and 3 percent in 2004, respectively. A strong demand for identity-preserved grains in Asia caused a 74-percent increase in containerized shipments of grain between 2004 and 2005 (see figure at right). Destination markets for identity-preserved and specialty grains are primarily Asian countries, such as Taiwan, Japan, and Indonesia. Shipments of containerized grain to Taiwan jumped almost 400 percent from 2004 to 2005, causing Taiwan to surpass Japan as the top destination market for U.S. containerized grain. Asian countries consume 80 percent of U.S. containerized grain exports.

Containerized Grain Exports To Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

In the first 5 months of 2006, more than 80,000 containers of grain were exported from the United States—11 percent less than the same period in 2005 but still 36 percent higher than the 3-year average. Animal feed remains the top containerized grain export in 2006, representing 42 percent of shipments to Asia (see table at right). Taiwan remains the top destination market, receiving more than 40 percent of the containerized grain exported so far this year.

Year-to-date Shipments of Containerized Grain to Asia

Commodity	TEUs*	Share
Animal feed	33,313	42%
Soybeans	24,047	30%
Corn, maize	13,161	16%
Residues of starch	6,002	7%
Wheat	2,084	3%
Other	1,600	2%
Total	80,207	100%

*TEU: Twenty-foot equivalent unit or 20-ft container.
Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*, 2006

The trend toward containerization is evident in all agricultural shipping. In 2001, 14 percent of agricultural exports were moved in containers; by 2005, the figure had risen to 19 percent. The recent surge in containerized grain exports shows this trend is also evident in grain movements, which have traditionally been shipped in bulk vessels. Containers are used for exporting specific varieties of grain, for organic and other identity-preserved grains, and when a specified amount of grain has been ordered.

The Ports of Los Angeles and Long Beach are the ports of choice for containerized grain shippers. Approximately 45 percent of containerized grain exports use this busy Southern California corridor. Railroads provide consistent service between major hubs in the Upper Midwest—Minneapolis and Chicago—and Southern California. This rail service exists to serve the intermodal imports entering through Los Angeles and Long Beach, but also serves as an empty container pool for grain shippers in the Midwest.

Rising Transportation Costs Result In Lost Sales. Shippers are blaming high transportation costs and fuel surcharges for lost sales of identity-preserved grain to Asian countries. Because the railroads have suspended service to terminals in many rural locales in Minnesota, North Dakota, and Wisconsin, specialty grain shippers in the Upper Midwest have to pay to reposition empty containers from major rail hubs in Minneapolis and even Chicago. The additional cost of transporting these specialty grains to the major rail hubs has further eroded farmers' already thin profit margin and, in some cases, has resulted in the shippers' incapacity to meet foreign customers' demands. Some farmers report that the decline in shipments of containerized grain from 2005 to 2006 is a result of increased transportation costs and additional fuel surcharges. April.Taylor@usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
08/02/06	200	185	277	185	213
07/26/06	198	202	276	182	217

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

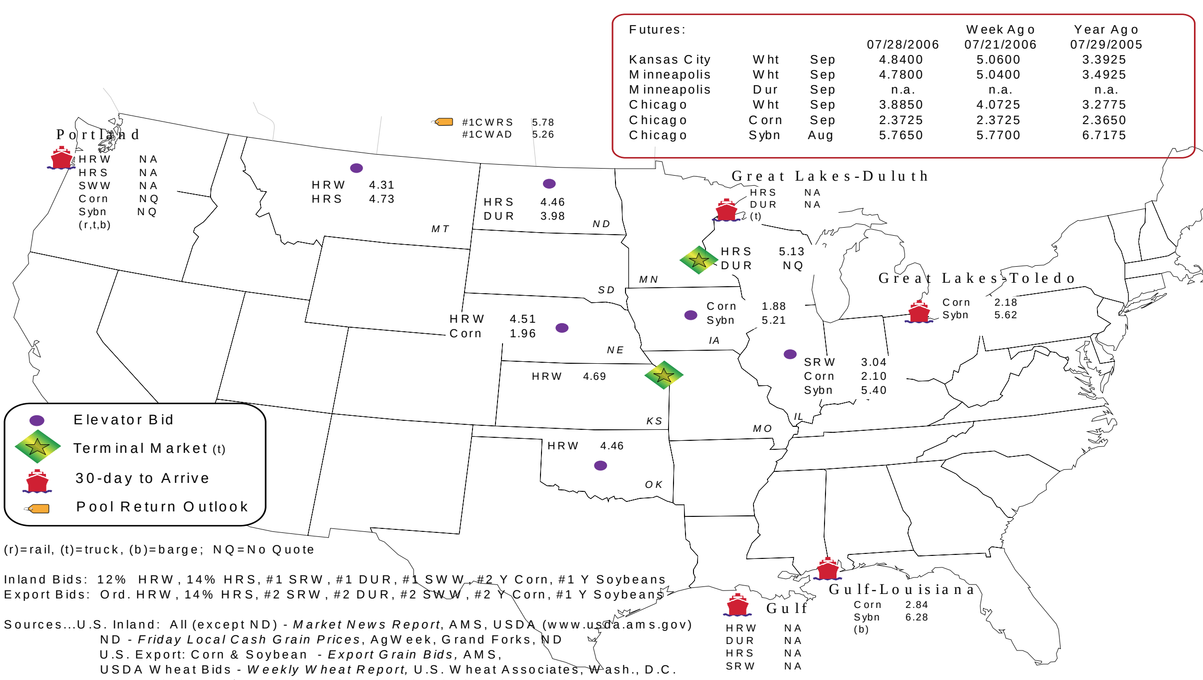
Commodity	Origin--Destination	7/28/2006	7/21/2006
Corn	IL--Gulf	-0.74	-0.71
Corn	NE--Gulf	-0.88	-0.86
Soybean	IA--Gulf	-1.07	-1.07
HRW	KS--Gulf	n/a	-0.84
HRS	ND--Portland	n/a	-1.29

Note: nq = no quote

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
7/26/2006[p]	1,799	1,275	639	3,654	302	7,669
7/19/2006[r]	1,646	1,322	840	3,769	412	7,989
2006 YTD	45,796	61,983	26,167	121,433	13,067	268,446
2005 YTD	27,343	50,367	37,756	126,715	7,764	249,945
2006 YTD as % of 2005 YTD	167	123	69	96	168	107
Last 4 weeks as % of 2005 [3]	382	72	70	116	473	116
Last 4 weeks as % of 4-year avg.[3]	n/a	79	93	141	235	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

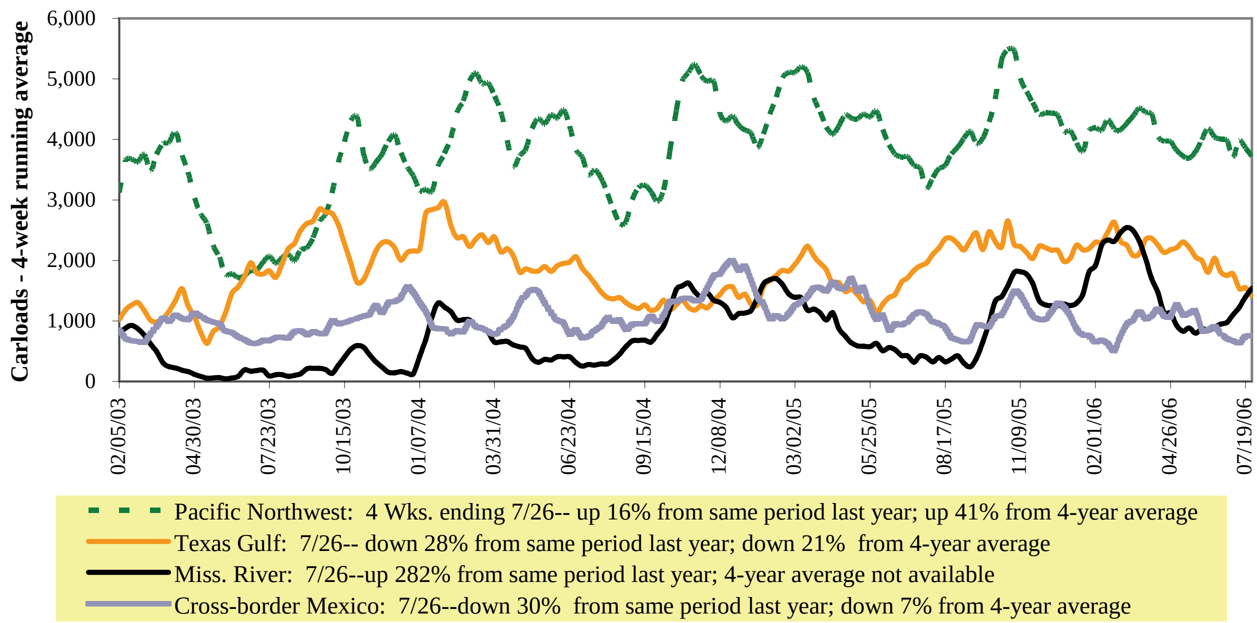
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

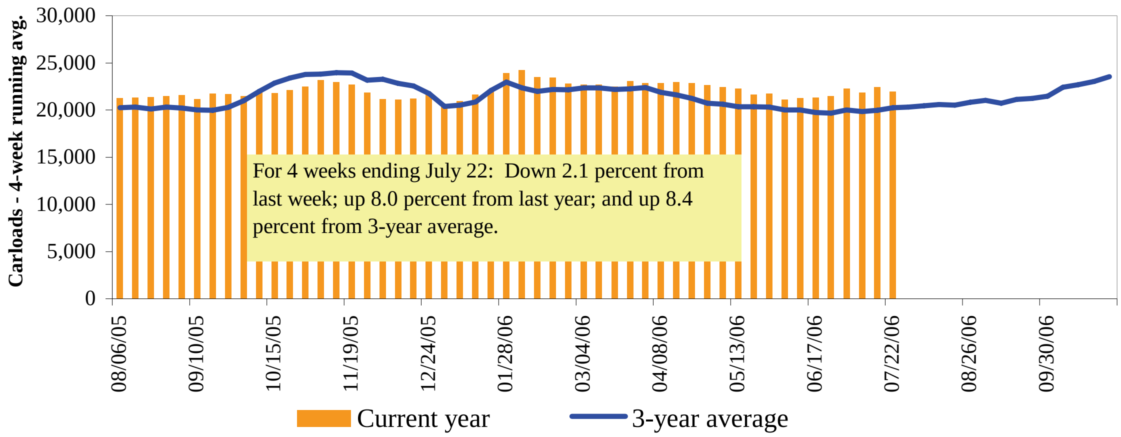
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
07/22/06	2,897	3,447	9,625	461	4,728	21,158	5,084	4,688
This week last year	2,707	2,940	8,198	278	6,426	20,549	4,210	4,617
2006 YTD	89,382	93,799	281,358	16,548	171,986	653,073	136,733	126,562
2005 YTD	86,422	95,578	261,593	16,939	172,632	633,164	119,904	115,529
2006 YTD as % of 2005 YTD	103	98	108	98	100	103	114	110
Last 4 weeks as % of 2005[1]	107	112	116	110	96	108	133	114
Last 4 weeks as % of 3-yr avg.[1]	112	105	125	99	89	108	123	113
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period									
7/29/2006	Aug-06	Aug-05	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]										
COT grain units	no offer	n/a	no offer	no offer	no offer	no offer	no offer	320	0	n/a
COT grain single-car[5]	no offer	n/a	no offer	n/a	no bids	n/a	0..5	n/a	0	n/a
UP[4]										
GCAS/Region 1	no offer	n/a	no offer	2	no offer	no offer	no offer	no offer	no offer	n/a
GCAS/Region 2	no offer	n/a	no offer	no offer	no offer	no offer	no offer	no offer	no offer	n/a

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

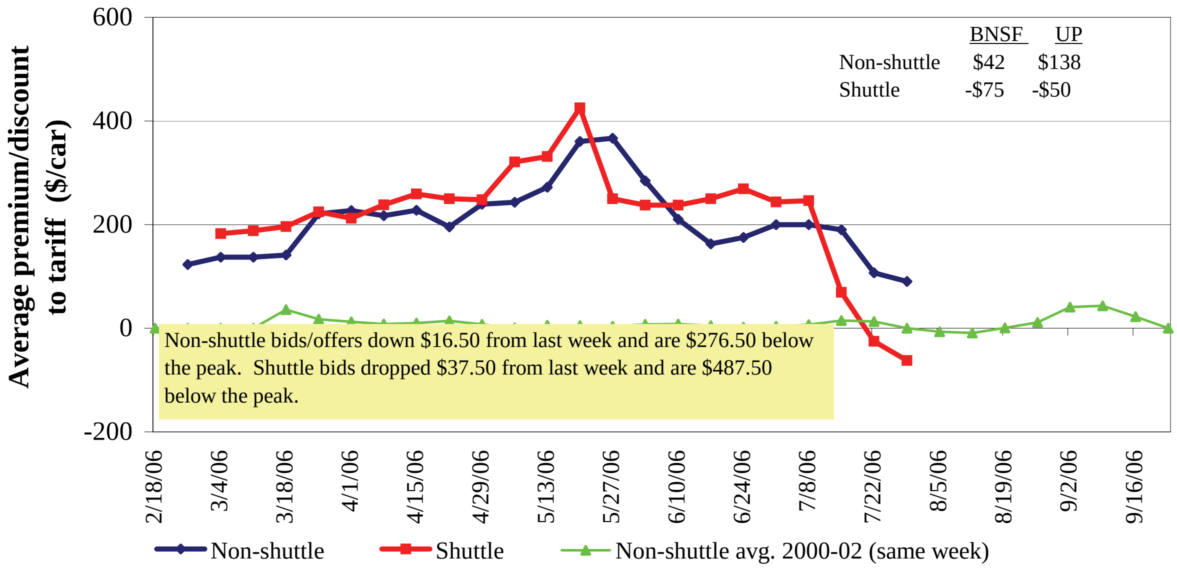
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

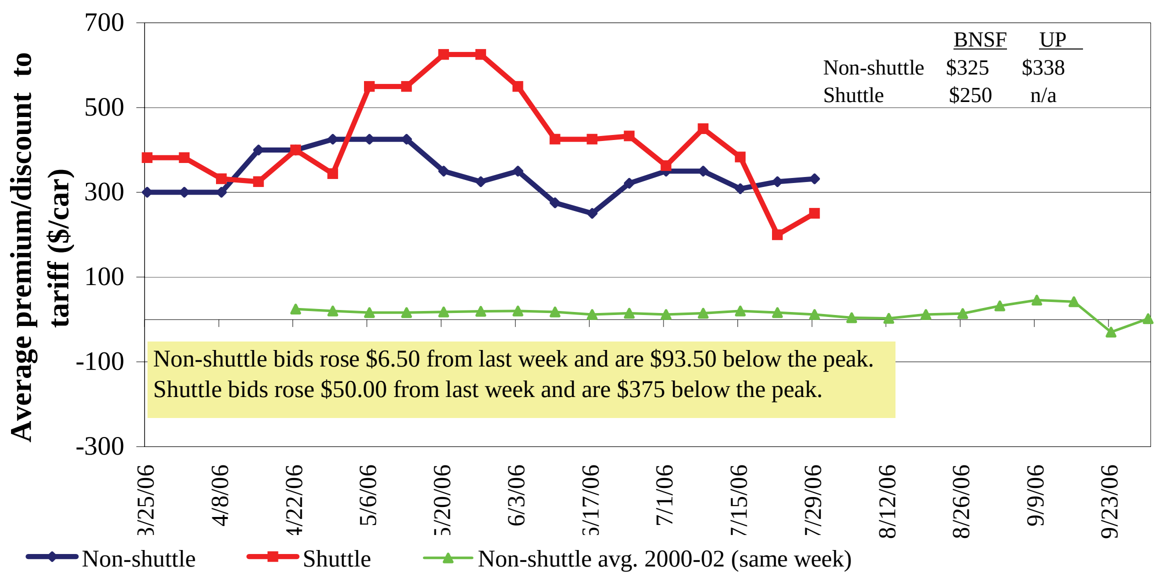


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market

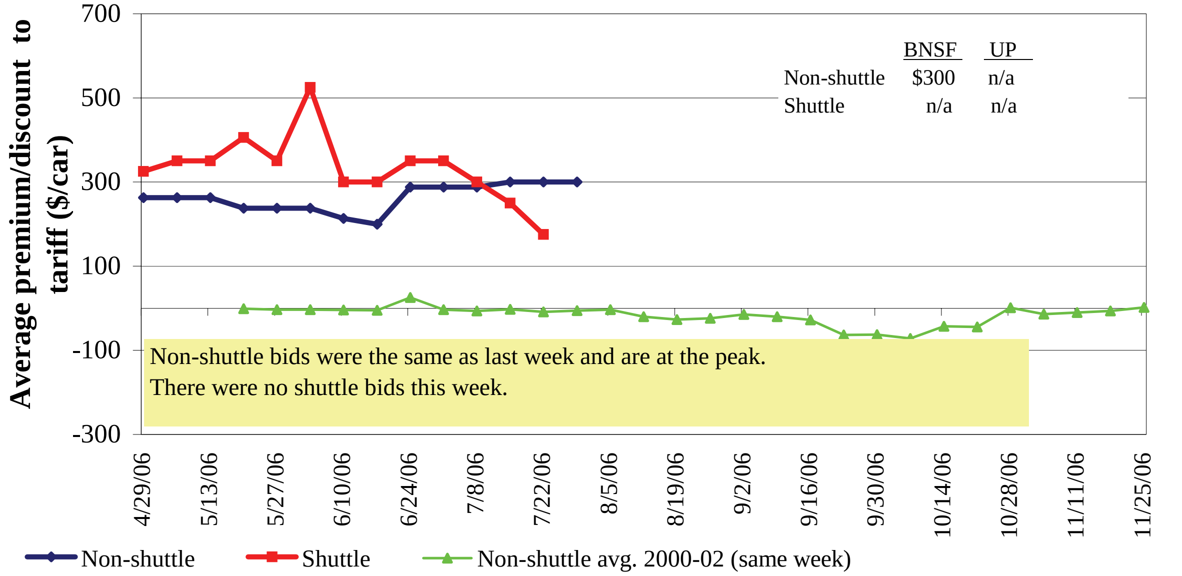


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	**Delivery period**					
7/29/2006	**Sep-06**	**Oct-06**	**Nov-06**	**Dec-06**	**Jan-07**	**Feb-07**
Non-shuttle						
BNSF-GF	42	325	300	300	n/a	n/a
Change from last week	-46	0	0	0	n/a	n/a
Change from same week 2005	-269	37	25	0	n/a	n/a
UP-Pool	138	338	n/a	n/a	n/a	n/a
Change from last week	13	13	n/a	n/a	n/a	n/a
Change from same week 2005	-104	51	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-75	250	n/a	n/a	n/a	n/a
Change from last week	-50	50	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	-50	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 7/3/2006	**Origin region**	**Destination region**	**Rate/car**	**As % of same month last year**	**Rate per metric ton**	**Rate per bushel**[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	104	$27.12	$0.74
	South Central, ND	Houston, TX	$4,149	111	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$2,050	113	$22.60	$0.62
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1] A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2] Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date:	07/03/06				**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

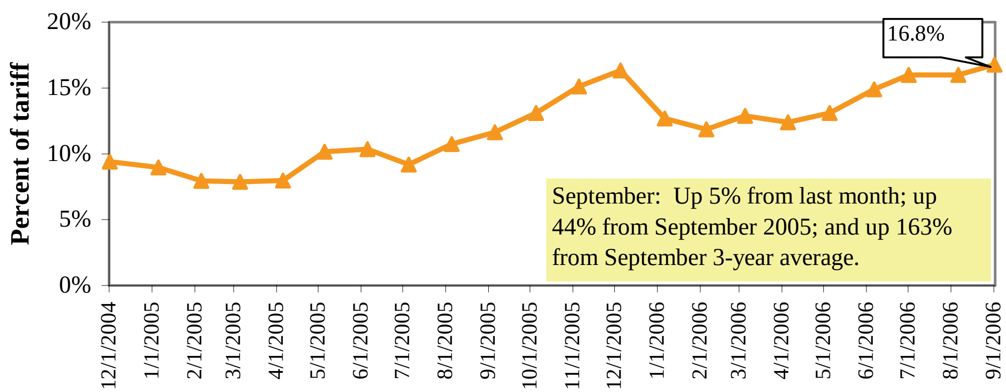
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7.

Railroad Fuel Surcharges, North American Weighted Average[1]



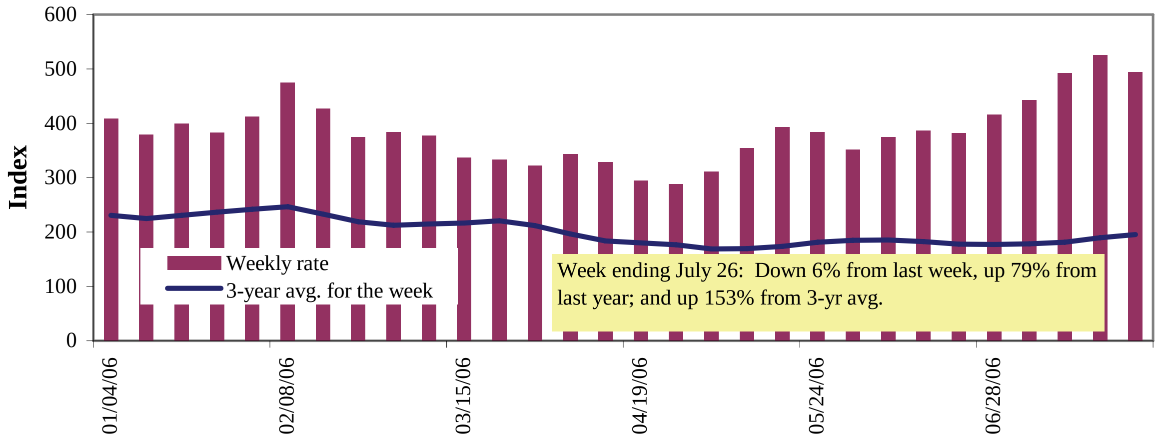
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	7/26/2006	594	509	495	469	467	467	456
	7/19/2006	647	561	526	504	479	486	470
$/ton	7/26/2006	36.77	27.08	22.97	18.71	21.90	18.87	14.32
	7/19/2006	40.05	29.85	24.41	20.11	22.47	19.63	14.76
Current week % change from the same week:								
	Last year	43	55	79	72	101	98	88
	3-year avg. [2]	140	147	153	204	199	198	222
Index	August	609	537	532	534	537	537	561
	October	653	640	634	640	643	643	648

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

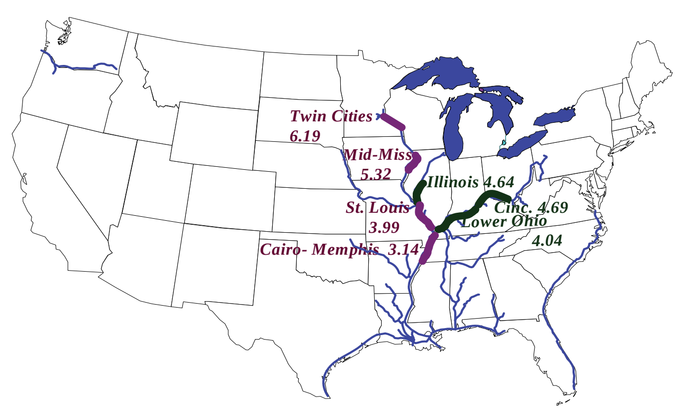
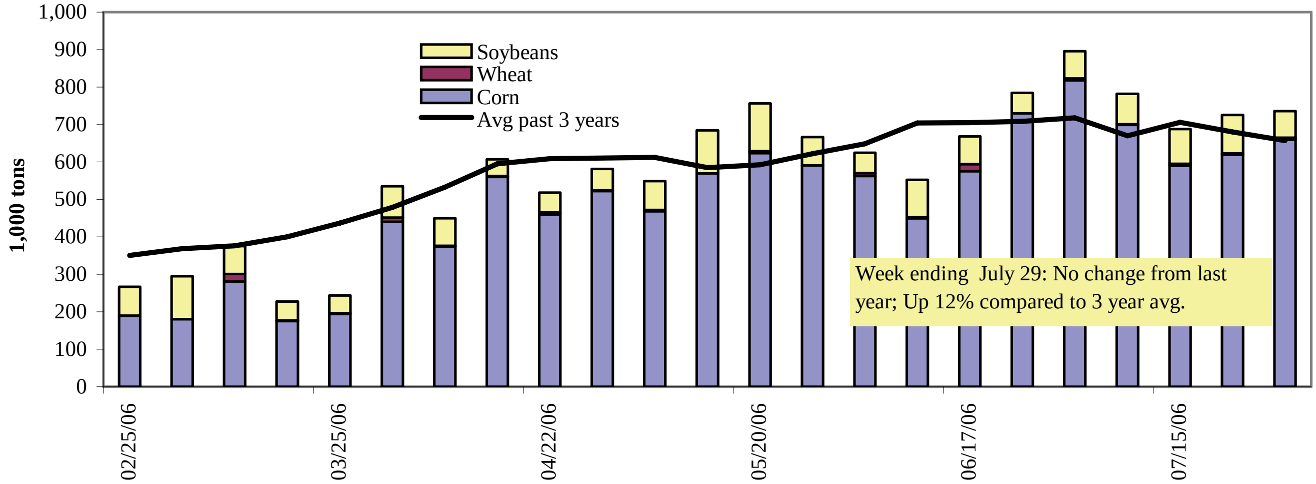


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/29/2006	**Corn**	**Wheat**	**Soybean**	**Other**	**Total**
Mississippi River					
Rock Island, IL (L15)	401	0	31	0	431
Winfield, MO (L25)	498	3	41	5	547
Alton, IL (L26)	637	3	70	5	714
Granite City, IL (L27)	660	5	71	5	740
Illinois River (L8)	168	3	24	0	194
Ohio River (L52)	34	9	24	2	68
Arkansas River (L1)	0	27	13	8	47
Weekly total - 2006	694	40	107	13	855
Weekly total - 2005	712	42	84	20	858
2006 YTD[1]	15,897	763	3,723	421	20,804
2005 YTD	13,731	1,022	4,216	423	19,392
2006 as % of 2005 YTD	116	75	88	100	107
Last 4 weeks as % of 2005[2]	111	85	138	89	112
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

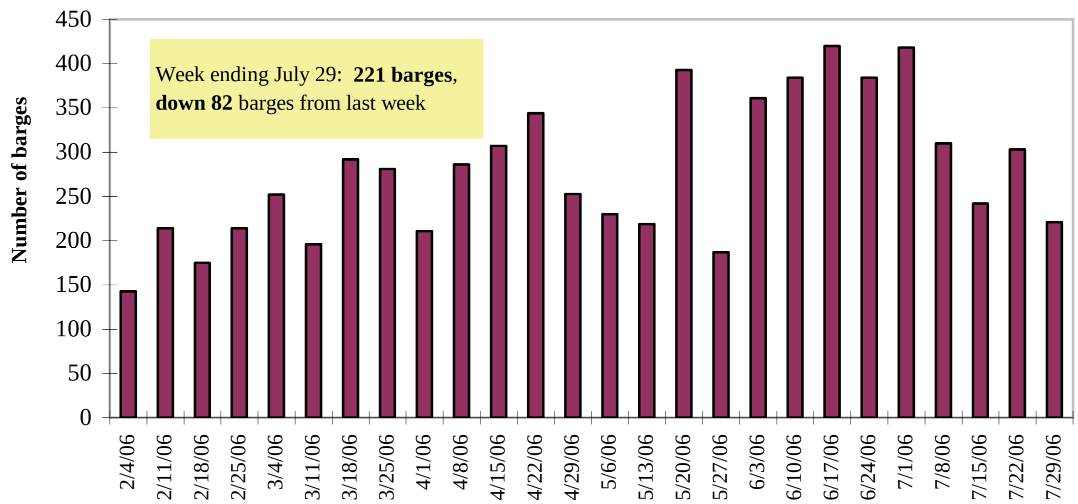
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

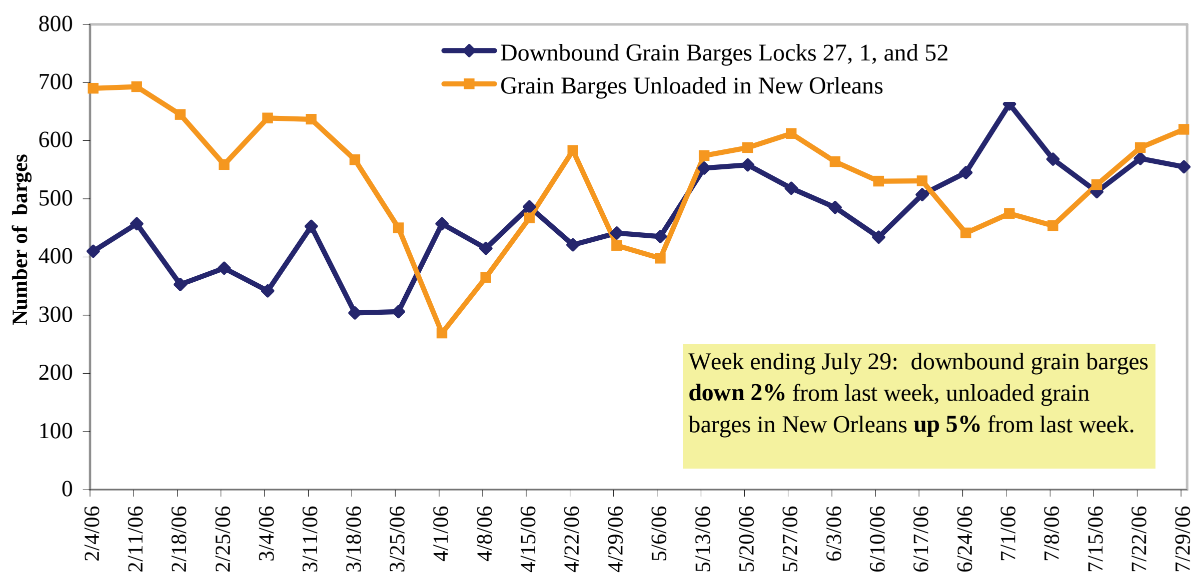
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 7/31/06 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.958	0.033	0.602
	New England	2.991	0.019	0.503
	Central Atlantic	3.030	0.028	0.565
	Lower Atlantic	2.924	0.036	0.627
II	Midwest[1]	2.988	0.037	0.696
III	Gulf Coast[2]	2.925	0.030	0.646
IV	Rocky Mountain	3.052	0.065	0.631
V	West Coast	3.066	0.019	0.472
	California	3.093	-0.004	0.436
Total	U.S.	2.980	0.034	0.632

[1]Diesel fuel prices include all taxes.

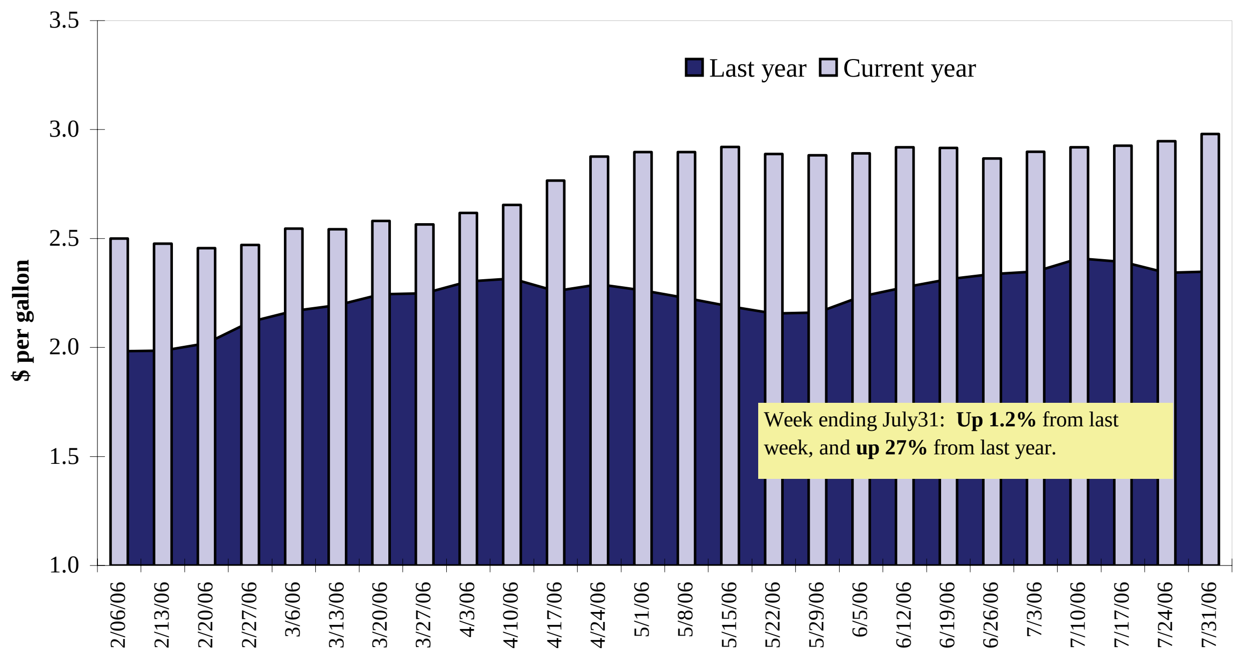
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
7/20/2006	952	481	1,001	702	264	3,399	7,387	1,901	12,687
This week year ago	1,975	340	1,283	617	117	4,331	5,160	1,008	10,499
Cumulative exports-crop year[2]									
2005/06 YTD	730	412	1,015	637	109	2,902	46,741	23,628	73,271
2004/05 YTD	1,227	258	1,029	285	103	2,903	40,485	29,092	72,480
YTD 2005/06 as % of 2004/05	59	160	99	224	106	100	115	81	101
Last 4 wks as % of same period 2004/05	52	142	81	113	234	82	159	197	131
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 07/20/06	**Total Commitments[2]**			**% change**	**Exports[3]**
	2006/07	**2005/06**	**2004/05**	**current CY**	
Crop Year (CY)	**Next CY**	**Current CY**	**Last CY**	**from last CY**	**2004/05**
		- 1,000 mt -			**- 1,000 mt -**
Japan	1,300	16,640	15,697	6	16,429
Mexico	312	6,841	5,837	17	6,278
Taiwan	87	5,103	4,485	14	4,690
Egypt	0	4,035	4,032	0	4,563
Korea	59	5,045	1,895	166	2,268
Top 5 importers	**1,758**	**37,663**	**31,946**	**18**	**32,143**
Total US corn export sales	**2,695**	**54,128**	**45,645**	**19**	
Top 5 importers' share of U.S. corn export sales	65%	70%	70%		
USDA forecast, July 2006	**54,610**	**53,340**	**46,078**	**16**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 07/20/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	1,867	9,754	11,851	(18)	11,850
Mexico	101	3,510	3,438	2	3,579
Japan	410	3,063	3,130	(2)	3,289
Taiwan	9	1,848	1,514	22	1,585
Indonesia	0	1,200	953	26	1,079
Top 5 importers	**2,387**	**19,375**	**20,886**	(7)	**21,382**
Total US soybean export sales	**3,390**	**25,529**	**30,099**	**(15)**	
Top 5 importers' share of U.S. soybean export sales	70%	76%	69%		
USDA forecast, July 2006	**29,670**	**24,630**	**30,019**	**(18)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 07/20/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	580	964	(40)	3,098
Japan	960	811	18	3,061
Mexico	798	716	11	2,625
Iraq	0	268	(100)	1,237
Philippines	829	426	95	1,878
Egypt	351	346	2	1,952
Korea, South	288	348	(17)	1,191
Venezuela	235	207	14	1,085
Taiwan	238	241	(1)	953
Italy	208	202	3	748
Top 10 importers	**3,906**	**3,562**	**10**	**17,827**
Total US wheat export sales	**6,301**	**7,234**	**(13)**	
Top 10 importers' share of U.S. wheat export sales	62%	49%		
USDA forecast, July 2006	**24,490**	**27,325**	**(10)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 07/27/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	158	6,288	5,740	110	103	107	10,801
Corn	211	6,062	5,918	102	127	130	10,130
Soybeans	0	2,687	3,397	79	194	204	6,225
Total	**369**	**15,037**	**15,055**	**100**	**121**	**125**	**27,156**
Mississippi Gulf							
Wheat	61	2,321	3,043	76	65	44	4,643
Corn	787	20,515	16,197	127	118	117	28,202
Soybeans	194	7,907	8,445	94	190	159	14,793
Total	**1,042**	**30,743**	**27,685**	**111**	**119**	**110**	**47,638**
Texas Gulf							
Wheat	88	3,448	3,792	91	44	47	7,743
Corn	32	1,377	301	457	1,967	5,783	812
Soybeans	0	27	6	470	n/a	549	36
Total	**121**	**4,852**	**4,099**	**118**	**68**	**74**	**8,591**
Great Lakes							
Wheat	0	633	896	71	110	134	2,067
Corn	39	830	255	326	1,035	489	796
Soybeans	0	38	27	140	n/a	0	828
Total	**39**	**1,502**	**1,178**	**127**	**237**	**230**	**3,691**
Atlantic							
Wheat	0	236	111	212	251	127	301
Corn	26	391	52	748	1,415	4,246	249
Soybeans	0	298	419	71	n/a	325	801
Total	**26**	**925**	**582**	**159**	**519**	**325**	**1,352**
U.S. total from ports[2]							
Wheat	307	12,926	13,583	95	74	71	25,556
Corn	1,097	29,174	22,723	128	133	132	40,189
Soybeans	194	10,958	12,293	89	194	168	22,683
Total	**1,598**	**53,058**	**48,599**	**109**	**117**	**114**	**88,428**

[1] Includes weekly revisions

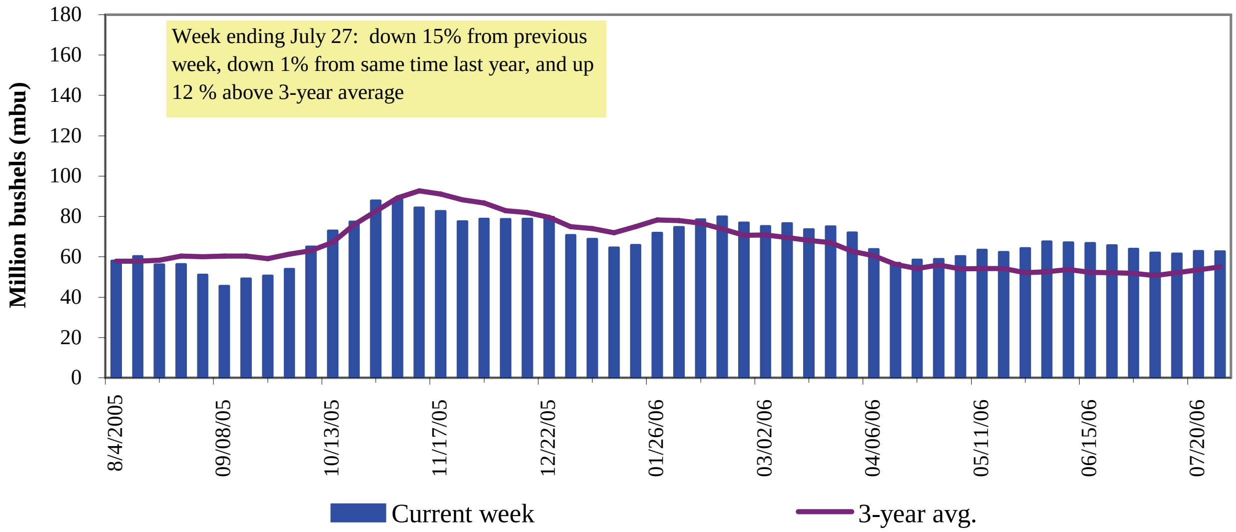
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

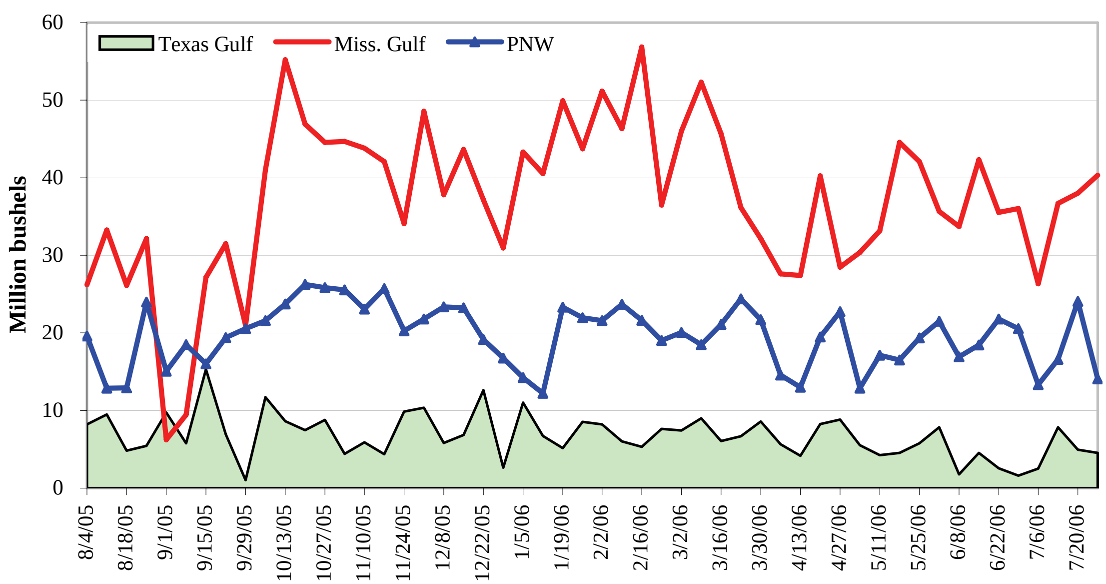


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

July 27, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 6	down 9	up 4	down 41
Last year (same week)	up 10	down 43	up 1	down 11
3-yr avg. (4-wk run. avg)	up 24	down 32	up 14	up 1

Ocean Transportation

Table 17

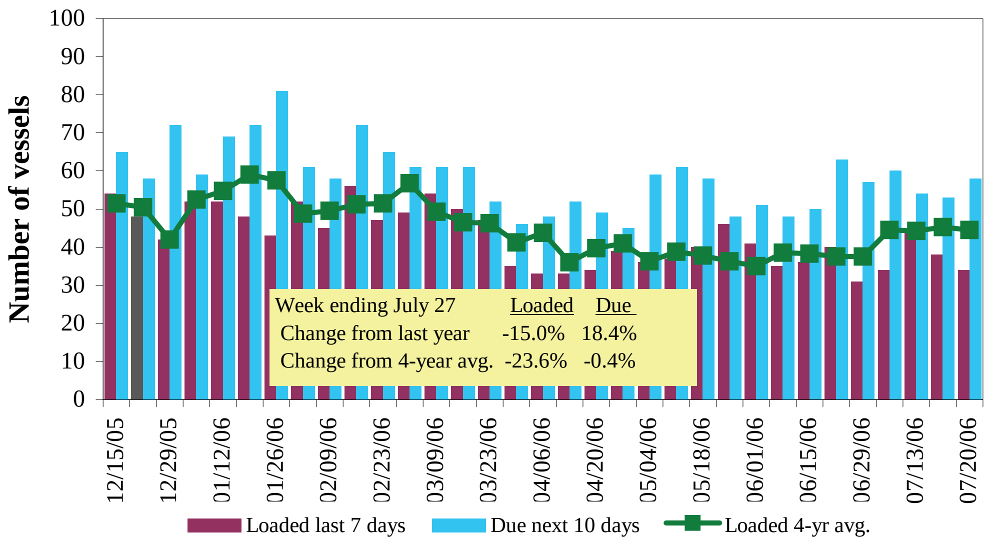
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
7/27/2006	34	34	58	3	6
7/20/2006	23	38	53	6	7
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

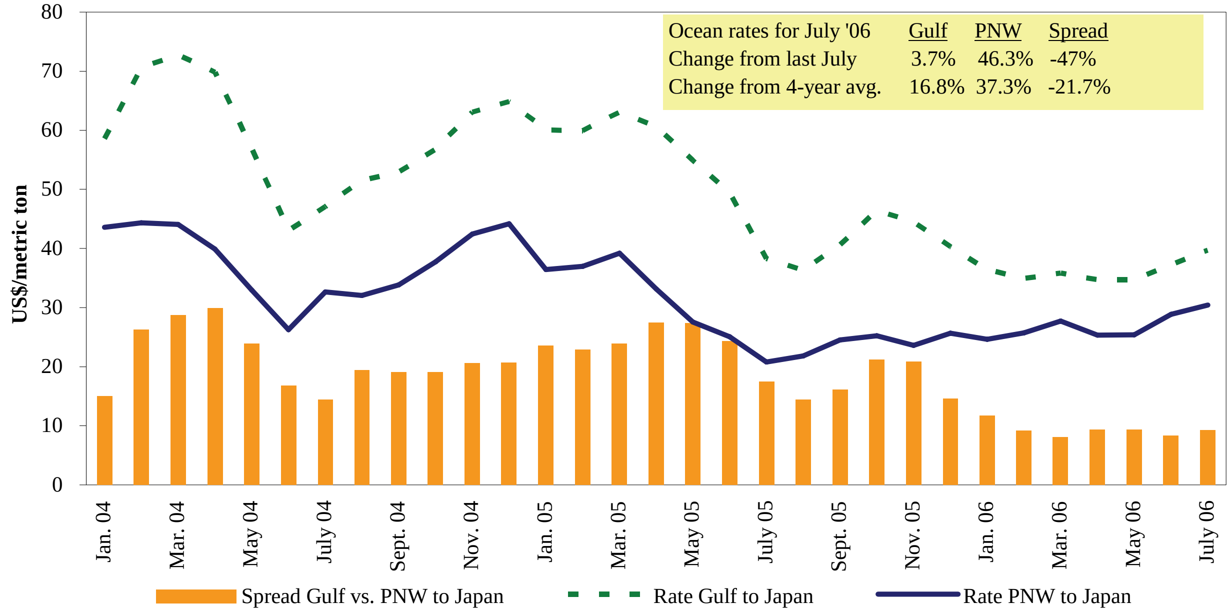
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

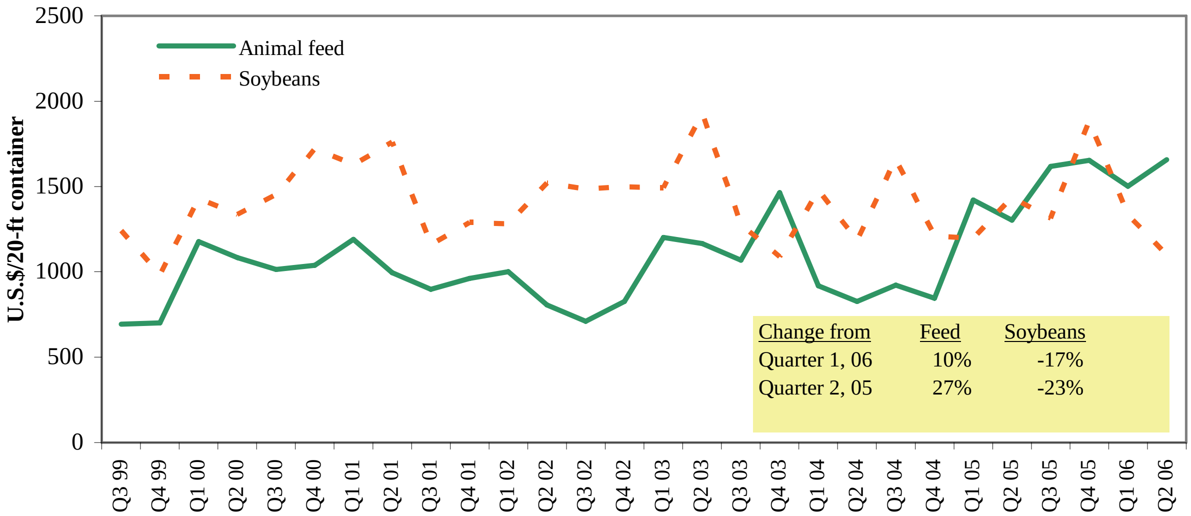
Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 7/29/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	July 28/30	25,000	41.50
River Plate	Poland	Hvy Grain	Aug 1/ 10	30,000	44.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



[1]Rates are weighted by shipping line market share and destination country.

Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)

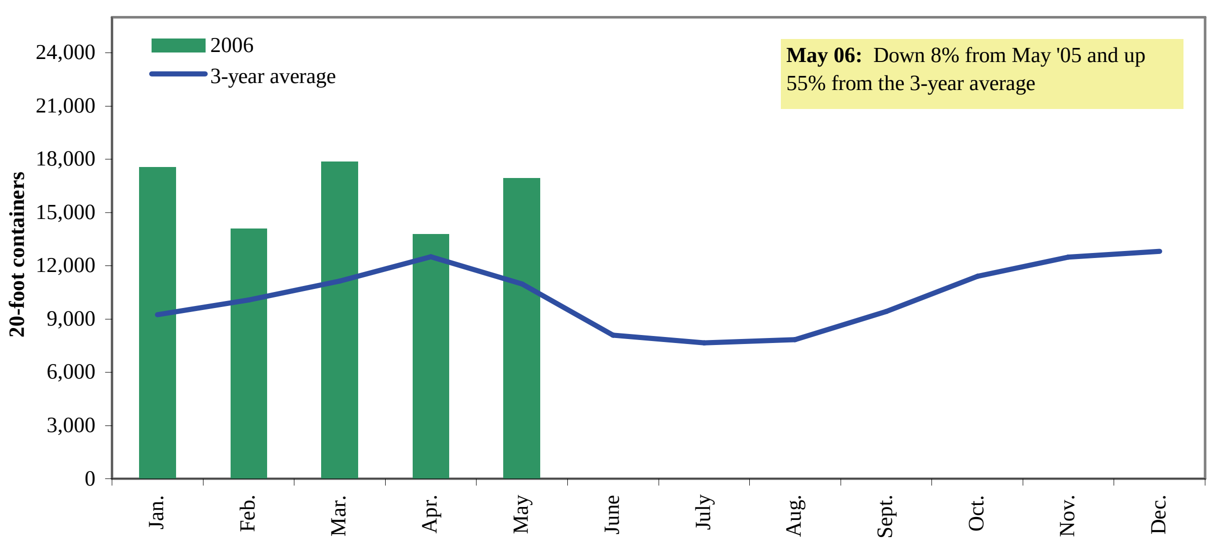
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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